

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

Call to Order: By **CHAIRMAN BILL GLASER**, on February 21, 2001 at 7:00 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Bill Glaser, Chairman (R)
Sen. Jack Wells, Vice Chairman (R)
Sen. Dale Berry (R)
Sen. John C. Bohlinger (R)
Sen. Edward Butcher (R)
Sen. John Cobb (R)
Sen. Jon Ellingson (D)
Sen. Jim Elliott (D)
Sen. Alvin Ellis Jr. (R)
Sen. Don Ryan (D)
Sen. Debbie Shea (D)
Sen. Mignon Waterman (D)

Members Excused: Sen. Sam Kitzenberg (R)
Sen. Mike Sprague (R)

Members Absent: None.

Staff Present: Linda Ashworth, Committee Secretary
Eddy McClure, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:
Executive Action: SB 24; SB 99; SB 101; SB 312;
SB 255; SB 307; SB 444; SB 188

Discussion: SB 70

EXECUTIVE ACTION ON SB 24

Motion: SEN. WATERMAN moved that **SB 24 DO PASS.**

Discussion:

SEN. MIGNON WATERMAN voiced her opinion that SB 24 had merit to become part of a final package of funding bills, even though she felt it would need some work as it moved through the process.

CHAIRMAN BILL GLASER reported that SB 24 would change the base entitlement.

SEN. ED BUTCHER agreed that the bill had merit but could not support it because of the opposition from smaller school districts.

SEN. ALVIN ELLIS opined that the real problem involved the large size of the governance of schools. He reasoned that the larger the school district the more complex its governance.

SEN. DON RYAN argued that SB 24 would do the exact opposite of the comments made by **SEN. ELLIS**. He maintained the bill would allow small towns to save on costs of administration by consolidating administrators. Consolidation of administrators would allow small districts to maintain their high school. He argued that administrative costs were highest in small rural school districts.

SEN. ELLIS maintained that the opportunity to share the costs of certified personnel, including administrators was currently available. He reminded the committee that the accreditation standards, that drive the cost of non-teaching personnel in schools, were developed by the **Office of Public Instruction** and the **Board of Public Education**.

SEN. JOHN BOHLINGER justified SB 24, affirming it would fairly distribute the state budget funding. He reported that he had originally wanted to include \$25,000 for each elementary school. The cost of including the elementary schools forced him to withdraw that consideration. **SEN. BOHLINGER** reiterated that SB 24 was a good piece of legislation and asked that the committee support it.

CHAIRMAN GLASER purported that SB 24 would strike at the heart of the equalization system developed in 1993. He related that he would not support SB 24 because it would change the equalization process, which could lead to another equalization lawsuit.

Motion: **SEN. WATERMAN'S** motion that **SB 24 DO PASS failed 6-8 with Bohlinger, Cobb, Ellingson, Ryan, Shea, and Waterman voting aye.**

EXECUTIVE ACTION ON SB 99

Discussion:

CHAIRMAN GLASER informed the committee that **SEN. KITZENBERG** did not wish to move forward with SB 99 or SB 101.

Motion/Vote: **SEN. ELLIS** moved that **SB 99 BE TABLED**. Motion carried 8-6 with Cobb, Ellingson, Elliott, Ryan, Shea, and Waterman voting no.

EXECUTIVE ACTION ON SB 101

Motion/Vote: **SEN. ELLIS** moved that **SB 101 BE TABLED**. Motion carried 10-4 with Ellingson, Elliott, Ryan, and Waterman voting no.

EXECUTIVE ACTION ON SB 312

Motion: **SEN. ELLIOTT** moved that **SB 312 DO PASS**.

Discussion:

SEN. JIM ELLIOT presented information regarding his proposal to change the averaging of the ANB from a five year average to a three year average, **EXHIBIT (eds43a01)**, allowing the funding to be implemented in the next biennium. **SEN. ELLIOT** asked that **Lance Melton** clarify the suggested change.

Substitute Motion: **SEN. ELLIOTT** made a substitute motion that **SB 312 BE AMENDED "TO BASE ITS AVERAGE NUMBER BELONGING ON A THREE YEAR AVERAGE AND IMPLEMENT IT IN THE NEXT BIENNIUM, EFFECTIVE JULY 1, 2003"**.

Discussion:

SEN. ELLIS asserted his belief that the amendment would improve the bill but he would not support the passage of SB 312. He reasoned that a three year average would obligate the state for more students than are currently attending. He contended this would result in the distortion of equalization. **SEN. ELLIS** reasoned that schools that would remain static would get less revenue than the schools that would show a drop in enrollment.

SEN. BUTCHER claimed that when enrollment would rise the formula would hurt schools. **SEN. ELLIOT** agreed with **SEN. BUTCHER** but

rationalized that SB 312 would be a plan which would allow the schools to foresee upcoming budgets based on past enrollment.

Lance Melton, Montana School Boards Association spoke to the proposed amendment. He speculated that by delaying the bill and implementing it in the next biennium the numbers would be smaller.

SEN. ELLIS asked **Mr. Melton** to figure the increase, per student entitlement, both ways. **Mr. Melton** referred to the change in state funding. He figured the cost to be an additional 7 million dollars in 2003. He added that the cost of the two years in question would be approximately 14 million. **Mr. Melton** reminded the committee that the cost of the Governor's proposal would be 13.2 million.

SEN. ELLIS asked if he would be willing to trade this bill for an increase in per student entitlement. **Mr. Melton** related that he would not agree with **SEN. ELLIS'** proposal.

SEN. ELLIS surmised that state enrollments would continue to drop for the next 12 years. **Mr. Melton** suggested that the trend would continue downward and would begin to level off in the years 2008-2010.

SEN. RYAN mentioned that he had talked to **Jim Dillard** who interpreted the bill as increasing the basic entitlement. The basic entitlement would be a more stable figure to be used in school district planning.

CHAIRMAN GLASER reminded the committee that one person's tool could become another's straight jacket. He reasoned that some schools with increasing enrollment would not get impact money. Some districts would be hurt as the economy of the state would change from neighborhood to neighborhood.

SEN. DEBBIE SHEA questioned whether the exploding influx of people referred to in **SEN. GLASER'S** statement would be true of Montana. **SEN. BUTCHER** called attention to the current influx of people into Park City and Columbus and informed **SEN. SHEA** that SB 312 would impact those communities in a negative way.

CHAIRMAN GLASER responded that a five year average would give all parties involved more time to adjust. He felt that condensing the bill into a three year average in order to make the numbers look good, would destroy the value of the bill. **SEN. ELLIS** speculated that more money may be available, but at this time he would not support the bill.

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SEN. WATERMAN mentioned that the comments from **SEN. ELLIS** and **CHAIRMAN GLASER** were the very reason the bill should stay in the mix and move forward. She recognized that the process had a long way to go.

CHAIRMAN GLASER stated that if this bill would go forward he would prefer to see the bill on a five year phase-in plan rather than a three year plan. Expanding schools would be hurt with the three year plan. **SEN. ELLIS** purported the opposite view, as seeing the five year average as being more detrimental to the schools.

CHAIRMAN GLASER rationalized the five year plan would allow people the opportunity to understand and adjust to the phase-in.

Substitute Motion/Vote: **SEN. WATERMAN** made a substitute motion that **SB 312 BE AMENDED (SB031201.aem) EXHIBIT (eds43a02)**. Substitute motion passed 9-4 with Ellis, Glaser, Sprague, and Wells voting no.

SEN. ELLIOT contended that SB 312 would be a valuable tool and should be kept alive for floor debate.

Motion/Vote: **SEN. WATERMAN** moved that **SB 312 DO PASS AS AMENDED**. Motion failed 6-7 with Butcher, Ellingson, Elliott, Ryan, Shea, and Waterman voting aye.

EXECUTIVE ACTION ON SB 255

Motion: **SEN. RYAN** moved that **SB 255 DO PASS**.

Discussion:

SEN. RYAN pointed out that the fiscal note would be incorrect in the overall impact to the state budget. He reminded the committee that transportation costs for half time kindergarten programs were not included in the fiscal note. He also stated that a number of half time kindergarten students are also in a subsidized day care for the rest of the day. These students would cost the state another \$2880, per child, in subsidized care. **SEN. RYAN** felt those issues should have been addressed in the fiscal note.

SEN. RYAN contended the bill would not require every district to develop a full time kindergarten but if they chose to offer the program they would receive funding.

SEN. ELLIS professed his belief that children should only be exposed to a limited amount of school during the first year. He maintained that kindergarten programs should remain half-time.

SEN. WATERMAN reported that many children in her district are placed in an all day daycare situation. She felt that an all day kindergarten program would be more beneficial to a child than being shifted between half day kindergarten and half day daycare.

SEN. BUTCHER voiced his concerns of burdening the concentrated resources for education into an all day kindergarten when many children are not ready for school at the age of five. He felt the money would be better spent when children were 7-9 years old.

SEN. RYAN asked for clarification as to whether revenue bills could be requested through March. He offered to sponsor a revenue bill that would create 50 million dollars per year to provide increased funding for educational programs. **CHAIRMAN GLASER** responded that the committee could take any bill that would fit within the title and add revenue, which would allow it to become a revenue bill.

SEN. ELLIS referred to information dispersed earlier in the committee that inferred that Montana spends more per student than all but four of the western states. As compared to our per capita income, Montana spends more per student than any other state except Alaska. **SEN. ELLIS** surmised that the problem with education in Montana is one of equalization, which inhibits people in governing their local schools.

CHAIRMAN GLASER commented that even though the bill would have positive impacts on social programs, he would not support SB 255 because limited funds would need to be distributed across the entire education spectrum.

SEN. RYAN questioned the details of LC 896. He indicated Great Falls would not be able to break down into fourteen elementary districts. He argued that many people don't think the little school districts should be allowed to maintain a school because of the economy, to scale, in the smaller districts. He reiterated the need to reach children that don't have the advantage of growing up in a rural farm community.

SEN. JACK WELLS concurred with comments made by **SEN. BUTCHER** that kindergarten does not provide a great advance start for children.

SEN. BOHLINGER offered the thought that Headstart programs were available in most communities. He declared confidence in **SEN.**

GLASER'S assurance that there would be a funding mechanism forthcoming in the form of LC 896.

Motion/Vote: SEN. **WELLS** moved that **SB 255 BE TABLED**. Motion carried 9-4 with Ellingson, Ryan, Shea, and Waterman voting no.

EXECUTIVE ACTION ON SB 312

Motion/Vote: SEN. **ELLIOTT** moved **TO RECONSIDER ACTION ON SB 312 AS AMENDED (SB031201.aem)**. Motion failed 7-7 with Butcher, Cobb, Ellingson, Elliott, Ryan, Shea, and Waterman voting aye.

EXECUTIVE ACTION ON SB 307

Motion: SEN. **WATERMAN** moved **SB 307**.

Motion: SEN. **WATERMAN** WITHDREW THE MOTION ON **SB 307**.

EXECUTIVE ACTION ON SB 444

Motion: SEN. **BUTCHER** moved that **SB 444 DO PASS**.

Discussion:

SEN. **BUTCHER** reasoned that SB 444 would address the fundamental problems that are plaguing the education profession.

SEN. **ELLIS** argued that many bills take authority away from the local school boards. He debated that master agreements are locally negotiated and this bill would demand that local school districts would have to accept tenure on a teacher. SEN.

WATERMAN held that the bill would not require a school district to hire teachers with many years of experience.

SEN. **GLASER** replied that there was not a fiscal note on the bill at this time. SEN. **BUTCHER** commented that he had seen the fiscal note but disagreed with the 7 million dollar price tag. He explained that SB 444 would take a portion of the ANB and attach it to the teacher without adding additional funding. He argued that affected schools would be those that have continually gotten rid of teachers to maintain a low salary schedule.

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CHAIRMAN GLASER responded that the bill would take the money out of the schedule before the direct state aid money would be distributed so it would impact districts in different ways. It would also get rid of the incentive to have less experienced teachers, which would shift the burden upon the local property tax payer and the general fund. For this reason **CHAIRMAN GLASER** justified that he could not support the proposal.

SEN. ELLIOT debated that the current system needs adjustment, but we continually resist ways to fix it. He argued that **SEN. KITZENBERG'S** bill would establish a state wide teacher's salary which would address the issue of portability.

CHAIRMAN GLASER reiterated that the existing system is like a straight jacket. In order to make the system work well we must take the anomalies from district to district out of the straight jacket and give it to the school boards. He argued that the existing system was not that flawed but needs flexibility which would be provided by LC 896.

SEN. ELLIS expounded on the fact that schools could presently recognize more tenure. He argued that smaller districts must pay more to attract teachers and school boards need to have the flexibility of making these determinations.

SEN. BUTCHER claimed that the top end was left open which would allow flexibility in the local area for negotiation of salaries.

Motion/Vote: **SEN. BUTCHER** moved that **SB 444 DO PASS**. Motion failed 7-7 with Butcher, Cobb, Ellingson, Elliott, Ryan, Shea, and Waterman voting aye.

EXECUTIVE ACTION ON SB 188

Motion/Vote: **SEN. COBB** moved that **SB 188 BE TABLED**. Motion carried unanimously.

DISCUSSION ON SB 70

SEN. RYAN requested discussion regarding the overall impact of SB 70, inquiring if this would be the funding vehicle that would pass from the Senate to the House.

CHAIRMAN GLASER apprized the committee that the House has HB 121 which would be moved forward as a revenue bill after transmittal. He stated his intention of informing the committee of the direction of school funding before they return home for transmittal break. He stated he was not prepared to move the

bill forward and would turn it into a revenue bill if the bill would become part of the mix. He reminded the committee that he did not want to turn over the policy decisions for education in the state of Montana to **SEN. KEENAN'S** Committee. He also stated his wish to place 40 million dollars into school funding.

SEN. SHEA questioned where the 40 million dollars would come from. **CHAIRMAN GLASER** responded that he was not sure. LC 896 would deal with 21st century distribution of money. It would deal with revenue from many sources. **SEN. GLASER** suggested the committee ask for input during the break, as to the desires of the communities.

SEN. WATERMAN speculated that **REP. JUNEAU'S** bill would die at transmittal. **CHAIRMAN GLASER** contended he did not know what the House was going to do. He cited his belief that the House would not move HB 121 forward until after the break and he presumed that **REP. JUNEAU'S** bill would be considered at the same time. The **Chairman of the House Education Committee** had stated that she would not move the school funding bills forward until after the break.

SEN. WATERMAN asked if LC 896 would be outside of the base and be a one time only funding move. **CHAIRMAN GLASER** answered that it would not. **CHAIRMAN GLASER** stated that LC 896 would be a method of taking the available money every session and distributing it equitably among the students at the K-12 level and the university system in Montana.

SEN. WATERMAN wondered if it would be within the base for K-12 education. **CHAIRMAN GLASER** contended that he envisioned the traditional base as one where money would be used to fund ordinary operations of schools. Money in LC 896 would be for extraordinary operation of schools. He envisioned 24-25 million dollars in this biennium.

SEN. WATERMAN questioned whether 15 million dollars would go into the base funding. **CHAIRMAN GLASER** stated that he does not make those decisions.

SEN. WATERMAN proclaimed that she would not have a problem being beaten up by her constituency over the break. She rationalized that public comment on those debatable issues would be very meaningful and helpful.

Eddye McClure told **SEN. WATERMAN** that it was her understanding an appropriation had been placed on both the Governor's bill and **REP. JUNEAU'S** bill.

SEN. RYAN wondered if the committee would know by Friday what the future might hold regarding to funding. **CHAIRMAN GLASER** stated his intention of developing a narrative for both parties, which would explain what was in his mind and his heart. It would narrate what was in LC 896 at this particular time.

SEN. RYAN said that he would attend the school board meeting in Great Falls and he would like to have information for the people.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 12}

ADJOURNMENT

Adjournment: 8:20 A.M.

SEN. BILL GLASER, Chairman

LINDA ASHWORTH, Secretary

BG/LA

EXHIBIT (eds43aad)